



EXTENSION FOR THE SETTLEMENT OF TAX LIABILITIES FOR YEARS UP TO 2008

The original Law for the Special Treatment of Tax Liabilities was published in the Official Gazette of the Republic of Cyprus on 12 December 2011 and provided for the imposition of a flat penalty of 5% on taxes due for tax years up to and including 2008. Any other interest and penalties accruing on these taxes imposed under other legislation are waived. The relieving provisions of the law were to be applied for all relevant tax liabilities settled up to 30 March 2012.

On 29 March 2012, the House of Representatives voted for an extension to the Law providing for the Special Settlement of Tax Liabilities for years up to 2008. The amendment extends the period of the relieving provisions of the Law to be applied for all relevant tax liabilities settled up to 31 October 2012.

On 25 October 2012, the House of Representatives voted for a further extension to the Law providing for the Special Settlement of Tax Liabilities for years up to 2008. The amendment is valid from 1 November 2012 and extends the period of the relieving provisions of the Law to be applied for all relevant tax liabilities settled up to 31 December 2013 subject to the following:

- From 1 November 2012 to 31 December 2013: an additional charge of 1% will be added to the previous month's rate for each month of delay in the settlement of the relevant taxes due
- From 1 April 2013: the tax payers will have the right to settle the relevant taxes by instalments. The provision for the additional charge also applies in this case.